

OLC 67-0192

28 August 1967

## OGC Has Reviewed

**MEMORANDUM FOR: AD/DCI/NIFE**

**SUBJECT: Annual PFIAB Report**

1. The following items are suggested for inclusion in the Fiscal 1967 PFIAB Report.

2. The Office of Legislative Counsel was established as an Independent Office with responsibility "for all congressional matters arising in connection with the official business of the Agency". This function was formerly headed by the Deputy General Counsel who also carried the title Legislative Counsel. This action reflected the Director's view that separation of the two functions was warranted.

3. President Johnson's appointment of Vice Admiral Rufus L. Taylor as Deputy Director was confirmed by the Senate on 7 October 1966. Admiral Taylor was received most cordially by the Senate Armed Services Committee and its Chairman and the nomination reported unanimously. The nomination was confirmed by the Senate without a dissenting vote.

4. Various Agency legislative proposals submitted to the Congress were consolidated in a single bill and reported by the House Armed Services Committee; the bill passed the House but was not acted upon in the Senate. With the approval of the Bureau of the Budget it was resubmitted in the 90th Congress and is awaiting action in both houses. The proposal updates the Agency Retirement System in accordance with legislative changes in the Civil Service and Foreign Service Retirement systems, removes the \$50

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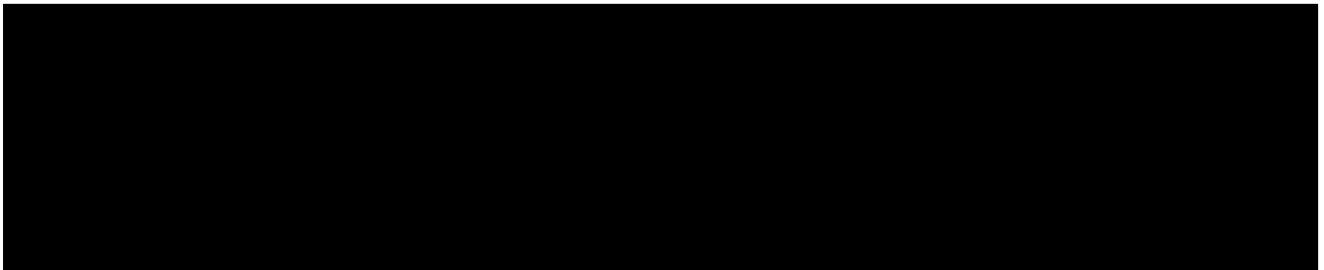
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per consultation limitation on payment to advisory and consultant personnel, and amends basic Agency legislative authority for travel, medical care, claims and similar housekeeping-type programs.

5. The invitation by the Chairman of the Senate Armed Services Committee during this first session of the 90th Congress extended to the Senate Majority Leader and the Chairman and Ranking Minority Member of the Foreign Relations Committee has quieted the most vocal of the pressures in the Senate to change the legislative oversight of the Agency. The attendance of these Senators has effected little change in the conduct of the meetings.

6. The program of inviting Senators and Congressmen to the Agency for general briefings and meeting with senior officials has continued to meet with success and has contributed substantially to a better informed view by the Congress of the Agency.

7. Various legislative inquiries have required continuing Agency attention during the reporting period. Notable among these are bills relating to restrictions on the use of polygraph, audio devices, and invasion of privacy of the federal employee. Pressures for across the board legislative action in these somewhat related fields are continuing to grow, and if enacted without appropriate exemption would affect Agency investigative and security review activities adversely.



SIGNED

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**JOHN S. WARNER**  
Legislative Counsel

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OLC/JGO/mas (26 Aug 67)

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OGC 66-1984

31 AUG 1966

MEMORANDUM FOR: Office of DCI/NIPE

ATTENTION: [REDACTED]

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SUBJECT: Annual Report for the President's Foreign  
Intelligence Advisory Board

1. In response to Colonel White's memorandum on the Annual Report for the President's Foreign Intelligence Advisory Board, the following items are suggested for inclusion in the Fiscal 1966 report.

2. The Office of General Counsel provided legal assistance

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[REDACTED]

Operations. The General Counsel continued as chairman of the Agency Retirement Board. The Deputy General Counsel serves on the CIA Retirement Board. The General Counsel was chairman of a committee

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[REDACTED]

General Counsel participated in a study of the relationship of the Agency with universities.

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Committee resolution was reported and brought up on the Senate floor by the Chairman of the Foreign Relations Committee. The Chairman of the Armed Services Committee (Senator Russell) then raised a point of order with respect to committee jurisdiction, arguing that the resolution pertained to matters primarily within the jurisdictional responsibilities of the Armed Services Committee and, therefore, should be referred to that Committee. Extensive floor debate ensued, culminating in a 4 1/2 hour secret session during which the doors of the Senate were closed. An expurgated transcript of this debate was subsequently published in the CONGRESSIONAL RECORD. Although there was substantial discussion concerning the CIA, there were few attacks on the Agency itself. The basic issue before the Senate was the procedural question of Committee jurisdiction. In the subsequent vote, Senator Russell's point of order was sustained by a vote of 61 to 28.

9. During the past year, the magnitude and frequency of our relationships with the Congress have continued to grow. This growth has been due in large part to an increasing awareness on the part of members of the Congress concerning the Agency's function. It has resulted in increasing demands being placed upon the Agency by the various committees of the Congress as well as by individual members. To the extent that our response to these demands do not constitute a compromise of intelligence sources and methods, they are met.

10. In order to assure that Agency employees injured in the performance of their official duties are properly compensated for illnesses and injuries sustained by them and in order to provide suitable benefits for their next of kin, in the event of their disability or death under these conditions, the Agency provided assistance to the Congress in developing a more adequate and equitable structure for benefits provided them under the Federal Employees Compensation Act.

11. Various legislative proposals, proposed by this Agency and approved by the Bureau of the Budget, are under consideration by the House Armed Services Committee. The proposed legislation

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updates the Agency Retirement System in accordance with legislative changes in the Foreign Service and Civil Service Retirement systems; removes the \$50 per consultation limitation on payment to advisory and consultant personnel; and amends basic Agency legislative authority for travel, medical care, claims and similar housekeeping-type programs.

12. President Johnson's appointment of Mr. Helms to succeed Admiral Raborn as Director was confirmed by the Senate on 28 June. In the Senate Armed Services Committee's hearings on his appointment, Mr. Helms received an unusually warm and cordial reception. The nomination was enthusiastically supported in the Committee and confirmed by the Senate without a dissenting vote.

s/ John S. Warner  
JOHN S. WARNER  
Acting General Counsel

OGC:RHL:sms

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✓ - Subject *Intell. Act. Pres. Foreign Intell. Advisory Bd.*

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*From the desk of*  
John S. Warner

*J. O'N.*

*In action*



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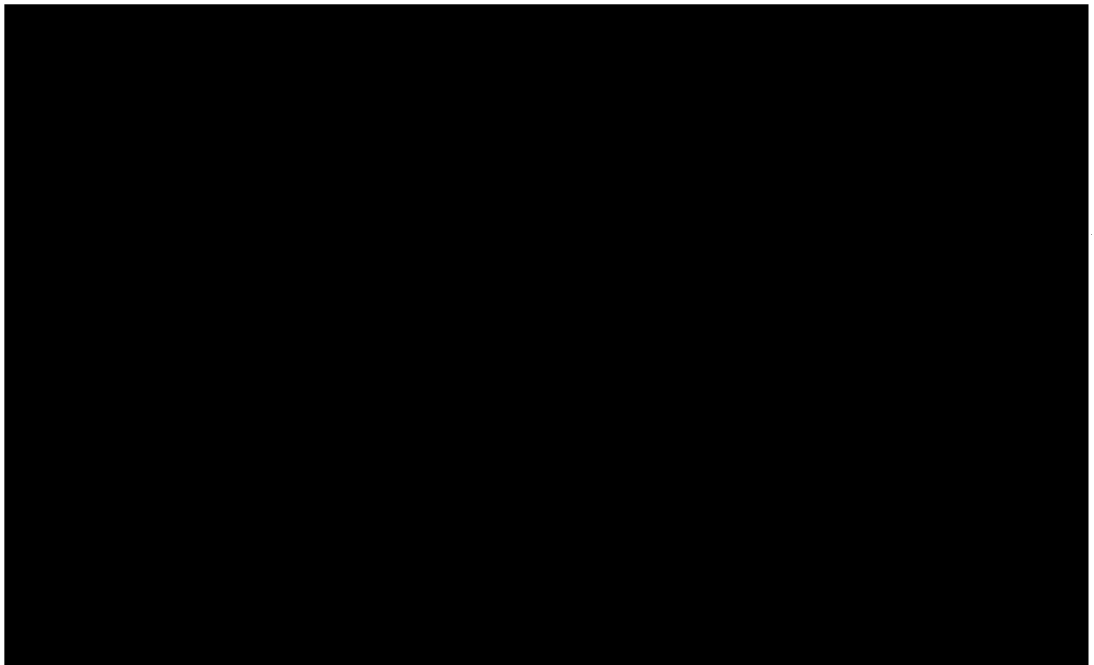
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O. LEGAL ACTIVITIES

The Office of the General Counsel continued to provide legal assistance and advice to other Agency elements in a wide variety of situations. Typical of these were: (a) support of steps being taken to discontinue international commercial operations by



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Remarks:  Attached for your information is General Counsel's portion of the Annual Report to PFIAB last year. [Initials]		

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7 SEP 1965

MEMORANDUM FOR: Office of DCI/NIPE

ATTENTION:

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SUBJECT:

Annual Report for the President's Foreign  
Intelligence Advisory Board

1. In response to Colonel White's memorandum of 30 July, Annual Report for the President's Foreign Intelligence Advisory Board, the following items are suggested for inclusion in the Fiscal 1965 Report.

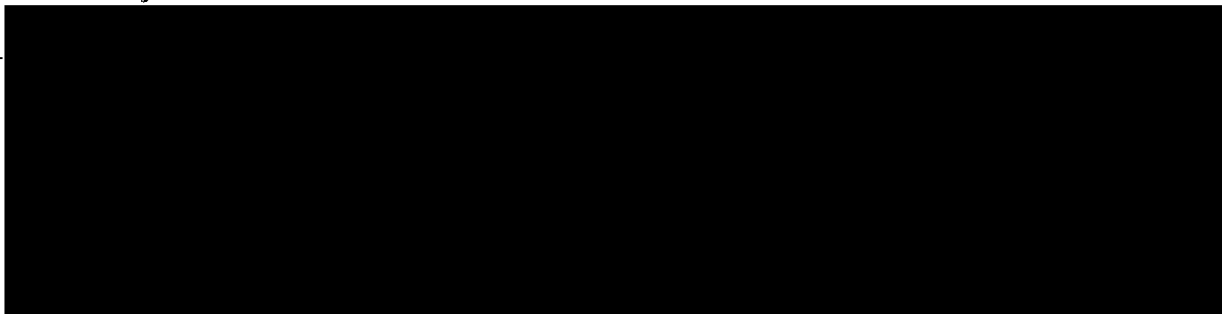
2. The Office of General Counsel provided legal assistance in a number of important or sensitive activities and projects. The

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3. The extensive effort to secure an early retirement system for certain of the employees of the Agency successfully culminated in approval of the CIA retirement legislation. The implementing regulations have been promulgated and the early retirement system is now a going concern. Considerable effort was expended on various meetings with the Congress to retain the positions of the DCI and DDCI in Levels II and III, respectively, in the Federal Salary Reform Act passed late in 1964. Further, Agency interests were safeguarded in this legislation by insertion of a provision that no authorities of the DCI would be impaired by some of the broad language setting ceilings on compensation which could be established administratively. Several private immigration and nationality bills for defectors were approved by the Congress at Agency request. The continuing program of inviting Senators and Congressmen to the Agency for general briefings and meeting with senior officials has met with uniform success and has contributed substantially to a better view by the Congress of the Agency.

s/ John S. Warner  
JOHN S. WARNER  
Acting General Counsel

OGC:RHL:bkb (7 September)

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MEMORANDUM FOR: Executive Director - Comptroller

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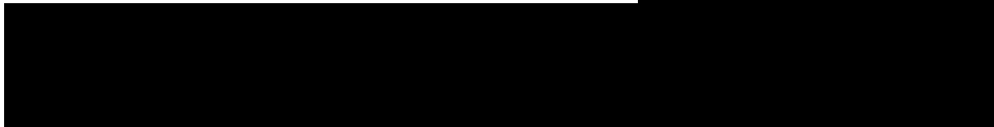
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SUBJECT: Annual Report for the President's Foreign  
Intelligence Advisory Board

In response to Action Memorandum A-395, the following items are suggested for inclusion in the fiscal year 1964 report for the President's Foreign Intelligence Advisory Board:

General Counsel has developed a simplified and improved system approved by Internal Revenue and administered by the Agency for tax reporting in sensitive cases. The House of Representatives completed action on the Agency Early Retirement Bill. Action by the Senate is anticipated before the close of the session. The Federal Employees Salary Reform Act of 1964 (1) establishes the position of Director of Central Intelligence at level II and of the Deputy Director at level III, (2) provides for withholding of publication by the President, in the interest of national security, of names of individuals placed in levels II through V of the executive listing, and, (3) makes provision to ensure that the authorities of the DCI under P.L. 81-110 continue unimpaired. 

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of the Agency. Change in Agency legislative authority was

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also effected in the Dual Compensation Act, P.L. 88-448, by removal of the numerical limitation on retired military officers who may be employed by the Agency. An Ad Hoc Committee of USIB, Chaired by the General Counsel, has continued study of draft legislation looking to the protection of classified intelligence information. [REDACTED]

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[REDACTED]  
personnel. Several have already cleared the Congress. Agency witnesses provided four days of testimony in executive session on "Use of the Polygraph" before the Foreign Operations and Government Information Subcommittee of House Government Operations. Although the Agency testimony was well received, it is anticipated that the Committee report will be highly critical of Government use of the polygraph. The Agency provided some 27 intelligence briefings and appearances of one day or more as official witnesses on such matters as the Nuclear Test Ban Treaty and polygraph. The [REDACTED]

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OGC 63-2955

MEMORANDUM FOR: Executive Director

SUBJECT: Semiannual Report to President's Foreign  
Intelligence Advisory Board

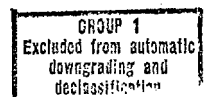
The Office of General Counsel, including the Legislative Counsel, is submitting herewith brief comments of significant legal and legislative activities for inclusion in the subject report for the six-month period ending September 1963:

- a. The testimony provided by the Director before the Senate Foreign Relations Committee in executive session on the role and capabilities of the intelligence community in monitoring the activities of the Soviet Union under the test ban treaty was deemed by the Committee to be particularly helpful in view of the fact that previous testimony given in open session necessarily did not include many details required for Committee deliberation.
- b. Continuing study is being given the problem of public attacks on the Agency and the potential of unfavorable impact on the Agency congressional relations. Action in this regard appears necessary, particularly having in mind forthcoming floor action on the Agency's early retirement bill.
- c. Subsequent to our last report, the Americans held prisoner in Cuba have been released. This Office, for the Agency, participated extensively with the various departments of the Government

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[REDACTED]

e. H.R. 8427, a bill to authorize retirement at age fifty with twenty years of Federal service for certain Agency personnel engaged in foreign intelligence activities, has been reported favorably (and unanimously) by the full House Armed Services Committee. For security reasons the bill authorizes Agency administration of the system, which will cover about 30 per cent of the total Agency employees.

f. An Ad Hoc Committee of USIB, chaired by the General Counsel, submitted to USIB draft legislation looking to the protection of classified intelligence information. Further study was thereupon undertaken and another submission is to be made to USIB in October.

g. During the reporting period fifteen formal and informal briefings have been provided various committees of the Congress.

h. Useful conversations have been held with Internal Revenue looking to the resolution of the problems brought on by the tax responsibility of persons whose association with this Agency is classified and highly sensitive. [REDACTED]

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i. Several complex problems, arising in connection with the immigration and naturalization of defectors, have been discussed, with quite helpful responses, with the Department of Justice and the Commissioner of the Immigration and Naturalization Service and with Chief Judge Matthew F. McGuire of the United States District Court for the District of Columbia.

j. Basic documents have been prepared and will be submitted to Internal Revenue within the next few weeks which will establish a scholarship fund, having tax-exempt status, to provide scholarships for dependents of Agency employees and for former Agency employees.

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k. Partly as a result of a paper by this Office, a Task Force has been appointed by the Deputy Director (Support), with OGC representation, to examine into all aspects of Agency needs for insurance.

l. This Office assisted with negotiations with a former

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m. The responsible Agency components, including this Office, have revised and somewhat simplified the procedures involved in the utilization of consultants. The new procedures were necessitated by the coming into force in January 1963 of a new statute which somewhat relaxed conflict-of-interest requirements with respect to consultants and the issuance of a memorandum by the President in May looking to the implementation of that statute.

n. The Office has assisted extensively in a number of intricate and important operations and projects, some in a developmental stage.

o. In our last report we reported a recent expansion (from 19 to 24 positions) in the legal staff (General Counsel and Legislative Counsel), and indicated it was questionable that the increase would be sufficient. Current experience continues to question it. Further, the recent augmentation of the legal staff, without a corresponding increase in physical space, has necessitated the partitioning of the OGC library in order to provide office space. Physical space is inadequate for our present complement.

LAWRENCE R. HOUSTON  
General Counsel

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OGC 63-0883

29 March 1963

MEMORANDUM FOR: Executive Director

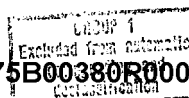
SUBJECT: Semiannual Report to President's Foreign  
Intelligence Advisory Board

The Office of General Counsel is submitting herewith brief comments of significant legal and legislative activities for inclusion in the subject report for the six-month period ending March 1963:

- a. To meet the increased workload such as has been experienced in the past year, the legal staff has been expanded somewhat, but current experience raises a question whether this is sufficient.
- b. In connection with extensive congressional hearings on the Cuban crisis of last fall involving various agencies, the Legislative Counsel has achieved improved coordination of the intelligence aspects, both in presentation and clearance of transcripts. Recommendations for a more systematic procedure for coordination are being submitted.
- c. The office has participated extensively but behind the scenes in connection with the efforts of the Department of Justice and [REDACTED] which resulted in the release of the Cuban Brigade by Castro and is continuing its efforts for the further negotiations looking to the release of the Americans held prisoner in Cuba.
- d. Legislation providing for early retirement of certain Agency personnel and other administrative authorities was extensively redrafted and cleared through the Executive Branch and has been forwarded to the Congress for action.
- e. Action has been taken with other Agency components, GSA, and the Department of Justice for acquisition or control

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of additional land immediately adjacent to the headquarters building in order to protect against possible unfriendly surveillance of the building.

f. Some progress has been made in connection with the cases of misappropriation or nonrepayment of Government funds. Some actual cash has been recovered, and in other cases indemnity is being sought from bonding companies or equity interests are being accepted in place of cash repayment.

g. An Executive Committee for Air Proprietary Operations was created in February 1963 with the General Counsel as Chairman. It is to give policy guidance in the management of air proprietary projects and provide a review mechanism for new projects or major undertakings. A member of the legal staff completed an extensive survey of all Agency activities involving aviation.

h. The office has been working with other Federal and state agencies in an effort to have the Commonwealth of Virginia repeal its new law which applies Virginia income tax to nonresidents commuting regularly to Virginia for work:

s/ Lawrence R. Houston

LAWRENCE R. HOUSTON  
General Counsel

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Executive Registry
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OGC 62-2356

- 2 OCT 1962

MEMORANDUM FOR: Executive Director

SUBJECT: Office of General Counsel Contribution for  
Agency Semiannual Report to President's  
Foreign Intelligence Advisory Board

As requested, we are submitting herewith brief comments of significant legal and legislative activities for the six-month period ending September 1962 for inclusion in the forthcoming report.

a. At the request of the Director and in consequence of the President's concern with a recent incident involving press revelation of intelligence sources and methods, work has been performed on the question of the authority of the Director of Central Intelligence to regulate within the intelligence community in order to protect intelligence sources and methods.

b. The Ad Hoc Committee, looking to the development of legislation for the protection of Intelligence Data, continued its work. A draft bill has been prepared and tentatively approved by the members. A final report will be forwarded to USIB in the near future.

c. Upon agreement by responsible components of the Agency, the Director in August decided to seek the enactment of legislation which would provide for early retirement of certain Agency personnel and instructed the Legislative Counsel to go forward with the work necessary to submit legislation to Congress and to support the enactment of such a law. Specifically, it was desired to make available to CIA the pertinent provisions of the Foreign Service Act. Support, agreement or an indication of no objection accordingly was obtained from the Department of State, the Civil Service Commission, and the Bureau of the Budget, and support was assured by the Chairmen of both of our Subcommittees. Draft legislation was prepared

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and formally referred to the President of the Senate and the Speaker. However, in view of the legislative logjam building up now that adjournment is imminent, the Committee leadership has put off until the next Congress formal consideration of the legislation. It is believed this spade work will accelerate enactment next year.

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✓ f. Substantive and detailed briefings of our congressional Subcommittees have taken place with increasing frequency in this session, averaging one briefing for each of the two Armed Services Subcommittees each month.

✓ g. The responsible Agency components, including this Office, have developed and refined procedures for the appointment of consultants, in accordance with the President's Memorandum of February 1962 which sought to avoid creating conflict-of-interest situations with consultants. The Memorandum imposes a specific responsibility on the legal office of each agency.

✓ h. This Office, in coordination with other appropriate parts of the Agency, continues to be concerned with possible misappropriation or nonrepayment of Government funds by private individuals--employees, past and present; agents; and others with some contractual relationship. [REDACTED] rrently involved, and action looking to collection or settlement is underway in each case.

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j. As expected, the move of this Office to the new building with the resulting proximity to its main clients resulted in an increasing workload.

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LAWRENCE R. HOUSTON  
General Counsel

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Subject: OWM-6

OGC 62-0686

12 MAR 1962

MEMORANDUM FOR: Executive Assistant to the DD/S

SUBJECT: Office of General Counsel Contribution  
for Agency Semiannual Report to  
President's Foreign Intelligence  
Advisory Board

As requested, we are submitting herewith brief comments of significant legal and legislative activities for the six-month period ending March 1962, for inclusion in the forthcoming report.

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1. The United States Circuit Court of Appeals, after hearing argument on the [REDACTED] case which was a termination under section 102(c) of the National Security Act, in a rather firm opinion decided that the District Court had correctly decided the case in favor of the Government. There are some indications that the appellant may petition for a new hearing in the Circuit Court in banc and if denied may apply for a writ of certiorari to the United States Supreme Court.

2. The Office of General Counsel was a major participant in the Powers-Abel exchange and in the subsequent Board of Inquiry established by the DCI to review Powers' actions and whether he complied with the terms of his contract. Following the Board's report and the Director's acceptance of its recommendations, the Director testified before the CIA Subcommittees of House and Senate Armed Services, House Foreign Affairs and Senate Foreign Relations. Powers testified in open session before the Senate Armed Services.

3. During this period the confirmation hearings were held for the Director of Central Intelligence and after considerable discussion at the Committee hearing, the nomination was reported

favorably to the full Senate where there was extended floor debate. This probably presages further activities attacking CIA. It is likely there will be further efforts toward a joint committee in the Congress for intelligence activities. In a pro forma hearing, the Deputy Director of Central Intelligence's nomination was considered and unanimously reported favorably to the Senate.

4. With the departure of Mr. Kilday, former Chairman of the CIA Subcommittee of House Armed Services, Mr. Vinson resumed chairmanship of the Subcommittee and added Representative L. Mendel Rivers as a member. Mr. Vinson stated that he wished to meet once a month with the Agency and this has happened. All of our Subcommittees have been fully briefed concerning sensitive activities which may eventually have some public impact or were otherwise of great significance. At a combined meeting of the CIA Subcommittees of Senate Armed Services and Senate Appropriations, Senator Mansfield was present at Senator Russell's invitation and learned for the first time of two sensitive projects. Senator Russell is of the opinion that a joint committee will not become a serious issue and stated, in any event, there are more than enough votes to cope with it. In this particular discussion he agreed that the Armed Services Subcommittee should issue an appropriate report this year on the Agency and has requested our help in preparing one.

5. Senator Fulbright has raised with the DCI the dilemma in which the Senate Foreign Relations Committee finds itself, i. e., activities of CIA have a strong influence on foreign affairs and foreign policy. Senator Fulbright believes the Senate Foreign Relations Committee is entitled to information concerning certain of these activities. He discussed the joint committee as a possible solution but when it was pointed out that this would not aid the Foreign Relations Committee in getting information and, therefore, would probably compound the problem, some members agreed. There were no conclusions reached other than that there was a problem.

6. Organizational changes have been approved which will place the Office of the General Counsel responsible to the Office of the Director of Central Intelligence. Responsibilities of the General Counsel will include full supervisory responsibility for Legislative Counsel.

7. With the recent move of the Office of General Counsel to headquarters at Langley, there are already some signs that physical proximity to other components will result in increasing demands for legal advice and assistance.

SIGNED

LAWRENCE R. HOUSTON  
General Counsel

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OGC/JSW:mks (5 April 1962)

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OGC 61-1713

2 OCT 1961

MEMORANDUM FOR: Special Planning Assistant to the DD/S

25X1A ATTENTION:



SUBJECT: Office of General Counsel Contribution  
for Agency Semiannual Report to  
President's Foreign Intelligence  
Advisory Board

As requested, we are submitting herewith brief comments of significant legal and legislative activities for the six-month period ending September 1961, for inclusion in the forthcoming report.

(a) This Office is receiving increasing demands for legal assistance in connection with [redacted] operations in support of activities of DD/P with a resulting increase in the use of private lawyers from whom we continue to get most excellent cooperation.

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(b) As indicated in the previous report, negotiations were proceeding to establish concurrent jurisdiction for the Federal Government and the State of Virginia over the grounds and the new building in Langley. These negotiations have now been completed and concurrent jurisdiction is established which permits proper police authorization to building guards to provide the necessary protection to the site.

(c) During the period there has been another District Court action by a terminated employee testing the propriety of the termination. As in the previous case of this type, the Judge dismissed the case on a motion by the Government for summary judgment in its favor. This case has been noted for appeal and the appeal is being pursued and may come up later this year for hearing.

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(d) With the Congress adjourned, we have totalled the number of appearances before congressional committees and it indicates a slight increase over 1960 for a total of 22.

(e) Several pieces of legislation are of interest to the Agency. With our support, the Atomic Energy Commission secured amendments to its law which will permit them to certify "Q" clearances on the basis of CIA investigative files without the requirement of a costly and time-consuming duplicate FBI investigation. Also, the jurisdiction of the Espionage Act was extended to include offenses committed in foreign countries. Action had been sought on this last item for several years and the Agency actively supported and pushed this amendment.

(f) The Agency participated in a congressional "first" by virtue of Senate and House approval of Senate Concurrent Resolution 44 which authorized the printing of the testimony of Richard Helms before the Senate Internal Security Subcommittee on Communist forgeries in three different languages. This is the first time any congressional document has been authorized by the Congress to be printed as a congressional document in a foreign language.

s/ Lawrence R. Houston

LAWRENCE R. HOUSTON  
General Counsel

cc: IG

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OGC/JSW:mks (2 October 1961)

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OGC 61-0535

5 APR 1961

MEMORANDUM FOR: Special Support Assistant to the DD/S

ATTENTION [REDACTED]

25X1A

SUBJECT : OGC Contribution for Agency Semiannual Report  
to President's Board of Consultants

As requested, we are submitting herewith brief comments of significant legal and legislative activities for the six-month period ending March 1961, for inclusion in the forthcoming report.

(a) There has been increased activity by this Office with respect to legal problems arising from current developments in

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[REDACTED]  
services relating to operations in these and other areas.

(b) The Director and other Agency officials have briefed the Congressional leadership and have made a number of appearances before the Senate Foreign Relations Committee, the CIA Subcommittees of House Armed Services and House Appropriations Committees, the Joint Committee on Atomic Energy and the Defense Subcommittee of the House Appropriations Committee. Briefings on general world affairs, [REDACTED], and other matters have been covered.

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(c) The House Rules Committee, early in the current session, held hearings on the various proposals to establish a Joint Committee on Intelligence. Following these hearings, at which Chairman Kilday of the CIA Subcommittee of House Armed Services and all but one other member of that Subcommittee appeared in opposition, and Agency representatives were not asked to appear, the Rules Committee tabled the matter.

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(d) The House Committee on Appropriations has approved an Agency plan, previously approved by the Senate Appropriations Committee and the House and Senate Armed Services Subcommittees, and recently put into operation by the Agency, to provide termination compensation for certain employees whose services are terminated for other than cause, and whose Agency duties and association might serve to limit the former employee's earning capacity.

(e) As indicated, a program has been adopted, looking to the termination of employees in surplus supply and providing, in certain cases, termination compensation. A brief has been supplied the Department of Justice as to the Director's authority, under the National Security Act, to terminate personnel. Work on programs utilizing this authority is continuing.

(f) The General Counsel (with assistance of others in the Office) has chaired the USIB Ad Hoc Committee looking to the development of legislation to protect intelligence. Legislation which would avoid the necessity of introducing into evidence defense information, the unauthorized revelation of which is the basis of a criminal trial, and legislation authorizing injunctions against the unauthorized revelation of defense information, is being drafted. Consideration is underway with the Department of Justice to develop amendments to the espionage statutes which would prohibit persons having classified defense information from threatening to reveal it to unauthorized persons.

(g) It is believed essential, for security and operational reasons, that the Federal Government be granted concurrent jurisdiction with Virginia with respect to the grounds and new building in Langley. Negotiations with appropriate Federal and Virginia officials are in process.

(h) A program established in 1960 and administered in part by a committee chaired by the General Counsel to facilitate the orderly retirement of certain eligible Agency employees continues. About 125 have been retired under the program in 1960, or to date are scheduled for retirement in 1961. Many of these have indicated they would not have made satisfactory and timely plans to retire except for the existence of the program.

/signed/ 5 April 1961  
LAWRENCE R. HOUSTON  
General Counsel

OGC/RHL:pbk (4 Apr 61)  
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**SEMIANNUAL REPORT TO THE PRESIDENT'S BOARD OF CONSULTANTS  
OFFICE OF GENERAL COUNSEL**

1. Another court action has been filed, which will test the Director's discretionary authority to terminate personnel, by a former employee who was terminated under the Agency's Selection Out Program. We will attempt with Justice to have the case dismissed in the same manner as in the case previously reported.

2. Considerable effort was expended by this Office in connection with the legal aspects of the Francis G. Powers trial in the fields of Russian law, international law, and space law. Such assistance and cooperation as was possible was rendered to the Virginia Bar Association selected lawyers who represented Mr. Powers.

3. The Senate Foreign Relations Committee and the House Foreign Affairs Committee conducted hearings on the U-2 incident and its effect upon the Summit Conference. The Director testified before both Committees in executive session, and although censored texts of the testimony of other witnesses was published by the Senate Foreign Relations Committee no transcript of the Director's testimony was published. Also, the Director briefed the CIA Subcommittee of House Armed Services concerning the U-2 incident of 1 May, as well as another group of selected congressional leaders.

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4. Congress approved the Overseas Differentials and Allowances Act (P. L. 86-707), a comprehensive revision of laws pertaining to overseas differentials and allowances applicable for the first time to all Government employees abroad. It necessarily modified the CIA Act of 1949 (P. L. 81-110). On the whole it improved the benefits available to Agency employees and in particular provided for accumulation of leave for home leave purposes, which has been badly needed.

5. The Agency participated in hearings of a special subcommittee of the House Armed Services Committee to inquire into the

defection of the two NSA employees, Martin and Mitchell. Personnel security procedures of all agencies were thoroughly reviewed. The subcommittee asked for recommendations, and the Agency pointed out that under existing law Martin and Mitchell probably could not be prosecuted if they returned to this country. We suggested certain areas which might be studied for improvement of the espionage and related laws. Meanwhile, an ad hoc committee, chaired by the Agency's General Counsel, has been established by USIB to make recommendations to USIB in the field of possible legislation.

6. During the current year the Agency made 17 appearances before committees of the Congress.

OGC:JSW:LRH:jeb

O&I-Special Planning Asst to DD/S

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SEMIANNUAL REPORT TO THE PRESIDENT'S BOARD OF CONSULTANTS  
OFFICE OF GENERAL COUNSEL

1. It was previously reported that an appeal had been taken from the decision of the Federal District Court granting a motion for summary judgment in favor of the Government in connection with a suit filed by a former employee, who had been terminated under the authority of the Director contained in section 102(c) of the National Security Act of 1947, for failure to accept an assignment. The plaintiff subsequently withdrew his appeal and the action of the District Court, which had ruled that the Director need give no reason for his action if he found the action necessary or advisable in the national interest, became final.

2. A former employee, who had occupied a supergrade position, filed a claim with the Comptroller General of the United States contending that he had performed the duties of supergrade positions of a higher classification than that to which he was appointed and was, therefore, entitled to the compensation of the higher graded positions. The claim was denied by the Comptroller General who found, inter alia, that the grade actually assigned was based on the employee's qualifications which were considered proper for his grade and that a recommendation for promotion had been disapproved.

3. The Agency referred to the Department of Justice for possible action the case of a former Agency employee who is indebted to the Agency in excess of \$28,000 which he converted to his own use. Civil action for recovery of the indebtedness is pending.

4. The Director of Central Intelligence has appeared at a number of hearings conducted by the Second Session of the Eighty-Sixth Congress on the subject of the military strength of the United States vis-a-vis that of the Soviet Union. On two occasions he briefed the Committee on Aeronautical and Space Sciences and the Preparedness Investigating Subcommittee of the Armed Services Committee of the United States Senate in joint executive sessions on the military strength of the USSR. He has also briefed the House Committee on

Science and Astronautics and the Joint Committee on Atomic Energy on this subject. In addition, the Director has appeared before the CIA Subcommittee of the House Armed Services Committee, the Senate Foreign Relations Committee and other committees to brief them on the world situation and related subjects. During the recess between the first and second sessions, he made his first appearance in open session as the lead witness in the Joint Economic Committee's hearings on the Comparison of the United States and Soviet Economies.

5. Efforts are still being made to obtain concurrence of the Department of Defense and the Atomic Energy Commission to a proposed Executive Order permitting the Agency to exchange Restricted Data with foreign services for intelligence purposes within the terms of agreements authorizing exchanges of information.

11 April 1960

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SEMIANNUAL REPORT TO THE PRESIDENT'S BOARD OF CONSULTANTS  
OFFICE OF GENERAL COUNSEL

1. The Director's authority to terminate employees under section 102(c) of the National Security Act of 1947 was tested in a court action brought by a former employee who had been terminated for failure to accept an assignment. The court granted the Government's motion for summary judgment, stating that the Director could terminate any employee when he deemed it necessary or advisable to the national interest and need not even give any reason therefor. This decision is being appealed by the plaintiff.
2. The Agency referred to the Department of Justice for possible action the case of a former Agency employee who is indebted to the Agency in excess of the amount of \$28,000. Possible lines of action could include criminal action or civil action including suit on notes signed by the individual. The case is being studied by the Department of Justice at this time.
3. The first session of the 86th Congress concluded with a total of 26 appearances by the Agency before various committees. This number equals the appearances of the previous year, but there are several other hearings pending prior to the end of the calendar year.
4. The newly reconstituted CIA Subcommittee of House Armed Services has received intensive briefings concerning Agency activities, organization, and operations. The Kilday Subcommittee has raised the question of an improved audit by the General Accounting Office of CIA. At the present time discussions are being conducted between the General Accounting Office and the Agency looking toward a modus operandi for an improved audit.

14 October 1959

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Orig & lcc-Special Planning Assistant to DD/S

lcc-OGC chrono-no circ

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**CONFIDENTIAL**

**SEMIANNUAL REPORT TO THE PRESIDENT'S BOARD OF CONSULTANTS  
OFFICE OF GENERAL COUNSEL**

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2. Appropriate exemptions from the Government-wide training bill (P. L. 85-507) were approved by the President.

3. The accelerated pace of intelligence briefings of congressional committees has continued in the early part of the 86th Congress. To date there have been 11 appearances. Of primary importance was the dependence placed on national estimates of Russian capabilities by the Administration and particularly the Department of Defense in support of the Defense budget before the Congress.

4. Chairman Carl Vinson of the House Armed Services Committee reconstituted the CIA Subcommittee so that it might devote more time to Agency matters. He remains as an ex officio member, but the Subcommittee is chaired by Representative Paul J. Kilday and is composed generally of more junior Committee members with fewer other demands on their time. This Subcommittee has been briefed at length on Agency organization and activities. This reorganization will serve in part to counter pressures for a Joint Congressional Committee on Intelligence, as evidenced by 15 proposals introduced in this Congress.

**Distribution**

Orig & lcc-Special Planning Assistant to the DD/S

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**CONFIDENTIAL**

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27 February 1959

MEMORANDUM FOR: Office of Communications  
Office of Logistics  
Office of Personnel  
Office of Security  
Office of Training  
Comptroller  
General Counsel ✓  
Medical Staff  
Management Staff  
Audit Staff

SUBJECT : Semi-annual Report to the President's Board  
of Consultants

1. Subject report was forwarded to the Inspector General by the Deputy Director (Support) on 16 October 1958. Attached is the portion prepared by your office. In some instances changes or deletions were made.

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2. I have discussed the problem of what should be reported with [REDACTED] of the I.G. Staff. He agrees that a further refinement of the Board's requirements is desirable and would be of use in aiding offices in determining what events are of current interest to the Board. [REDACTED] intends to talk to General Cassidy about this and will pass on to us information affecting any of the DD/S Offices.

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[REDACTED]  
Special Planning Assistant  
to the  
Deputy Director (Support)

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**OFFICE OF GENERAL COUNSEL**

The Office of General Counsel participated in redrafting the NSCIDs.

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An action has been initiated by a former employee to contest the Director's authority to terminate employment in the national interest. This matter has been referred to the Department of Justice.

In connection with legislation broadening the exchange of information with other countries in the field of atomic energy, the Agency proposed and supported a provision to include such exchanges for intelligence purposes. This was enacted on July 2, 1958 ( P. L. 85-479).

The Agency also proposed to the Atomic Energy Commission legislation which would allow access to Restricted Data based on CIA clearances without need for reinvestigation. The Atomic Energy Commission has not agreed to introduction of such legislation.

A Government-wide training bill ( P. L. 85-507) was passed on 7 July 1958 which put all Government training under control of the Civil Service Commission and repealed section 4 of P. L. 110 which contained training authority for CIA. The new law also imposed certain limitations on training unless excepted by the President. CIA has requested broad exemptions from the provisions of this bill and has been assured by the Bureau of the Budget that adequate exemptions would be given by the President.

There were 23 Agency appearances before congressional committees and subcommittees.

OGC/LRH:jeb:mks (30 Sept 58)

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Cps 4-1063

**CONFIDENTIAL**

11 SEP 1958

MEMORANDUM FOR: General Counsel


SUBJECT : The Report to the President's Board of Consultants  
on Foreign Intelligence Activities

1. This will confirm our recent conversation regarding the submission of the General Counsel portion of subject report.

2. The period to be covered is 1 April to 30 September 1958. There is no change in the type of information to be submitted, however, an effort is being made to reduce the size of the consolidated report which is to be sent to the Board. For this reason, please reduce the length of your report to approximately seventy-five per cent of that covering the November 1957 to March 1958.

3. I would very much appreciate it if your material could be forwarded to this office, 2038 L Bldg., by 7 October 1958.

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Special Planning Assistant  
to the  
Deputy Director (Support)

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OGC 8-0551

19 March 1958

KILLIAN REPORT  
OFFICE OF GENERAL COUNSEL

No legal actions were brought by or against the Agency during the period, but the Agency cooperated closely with the Department of Justice in the espionage trial and conviction of Colonel Rudolph Abel.

OGC:LRH:jeb

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5. The functions of the Office of the General Counsel have been increased by the transfer of the Legislative Council functions from the Inspector General's Office. No legal actions were brought by or against the Agency during the period.

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OGC 7-1338 a

19 September 1957

MEMORANDUM FOR: Special Planning Assistant to the  
Deputy Director (Support)

SUBJECT: Killian Report

1. Pursuant to the request contained in your memorandum of 12 August 1957 there is set forth below a statement of functions of the Office of General Counsel:

a. OGC carried a non-seasonal workload during the period in the fields of (1) opinions and rulings with respect to questions generally similar to those with which other Government departments are also concerned; (2) problems arising under the special authorities of this Agency, including ruling on the legality and propriety of expenditures of confidential funds (a function somewhat in the nature of that served by the Comptroller General of the United States with respect to the expenditure of vouchered funds by this and other agencies of the Government); (3) liaison with various Government authorities concerning quasi-legal matters

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[REDACTED] of  
and  
(5) review of construction and procurement contracts.

b. Activities of a somewhat seasonal nature which were extensive during the period included (1) income tax problems caused or complicated by cover or security situation; (2) considerable work on specifications for bids for grading and clearing on the site acquired for the new building and preliminary studies of other problems in connection with the new building including facilities and commercial concessions needed and the determination of type of jurisdiction (Federal, state or combination) to be sought; (3) legal review of legislation.

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The functions of the Legislative Counsel who was formerly located in the Office of the Inspector General have been transferred from that office to this office and assigned as an additional duty of the Deputy General Counsel. No legal actions were brought by or against the Agency during the period.

2. As you will observe, the first paragraph remains the same as that submitted by your office last June. There have, however, been made several changes in the second paragraph which we feel will be readily apparent.

S/

LAWRENCE R. HOUSTON  
General Counsel

OGC/OEP:mpg (17 Sept 57)  
OGC/JSW:mks (Rewritten)

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**EYES ALONE**  
TRANSMITTAL SLIP  
**SECRET**

26 June 1957

(Date)

## TO:

OGC/Attn: Mr. Houston

## BUILDING

221 EAST Bldg.

## ROOM NO.

## REMARKS:

Attached is your portion of  
the Killian Report as it was  
submitted to the DD/S.

If the DD/S, I.G., or the  
DCI wishes further changes,  
such changes will be  
coordinated with your Office  
or we will notify you as  
soon as they are made known  
to us.

## FROM:

SPA-DD/S

## BUILDING

2101-L

## ROOM NO.

## EXTENSION

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Office of the General Counsel

1. OGC carried a non-seasonal workload during the period in the fields of (a) opinions and rulings with respect to questions generally similar to those with which other Government departments are also concerned; (b) problems arising under the special authorities of this Agency, including ruling on the legality and propriety of expenditures of confidential funds /a function somewhat in the nature of that served by the Comptroller General of the United States with respect to the expenditure of vouchered funds by this

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2. Activities of a somewhat seasonal nature which were extensive during the period included (a) income tax problems caused or complicated by [REDACTED] (b) considerable work on actual site acquisition for the new building and preliminary studies of other problems in connection with the new building including facilities and commercial concessions needed and the determination of type of jurisdiction (Federal, state or combination) to be sought; (c) legal review of legislation. The Office also participated in procedures and actions for certain terminations arising out of a decision to utilize the Director's statutory authority for purely administrative terminations not involving loyalty or security. /A problem of long-term significance possibilities arose in connection with the court-martial of [REDACTED] where the defense demands for possible information raised serious problems concerning the Director's statutory responsibility for protection of sources and methods. No legal actions were brought by or against the Agency during the period.

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Talked to  
1 July 57

Brugi. J.  
By Court function

EXCERPT

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OGC 7-0831

29 May 1957

MEMORANDUM FOR: SSA/DD/S

ATTENTION :

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SUBJECT :

General Counsel Contribution to June 1957  
Semiannual Report to the President's Board  
of Consultants on Foreign Intelligence  
Activities

The following is submitted for inclusion in the subject report, as requested at the meeting of 24 May 1957:

The Office of General Counsel carried a non-seasonal workload during the period in the fields of (1) opinions and rulings with respect to questions generally similar to those with which other Government departments are also concerned; (2) problems arising under the special authorities of this Agency, including particularly the expenditure of confidential funds; (3) liaison with various Government authorities concerning quasi-legal matters necessitated by cover requirements; and (4) [REDACTED]

The legal review of all construction and procurement contracts, which involves both of the first two above, was a continuing requirement. Activities of a somewhat seasonal nature which were extensive during the period included (5) income tax problems caused or [REDACTED]  
(6) considerable work on actual site acquisition for the new building, and preliminary studies of

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other problems in connection with the new building, including facilities and commercial concessions needed and the determination of type of jurisdiction (Federal, state or combination) to be sought; (7) the legal aspect of all legislation affecting the Agency. The General Counsel participated in a new system for handling loyalty and security cases which, by a concerted effort, has closed out all current cases arising out of Executive Order 10450 or within the Agency. The Office also participated in the procedures and actions for certain terminations arising out of a decision to utilize the Director's statutory authority for purely administrative terminations not involving loyalty or security. A problem of possibly long-term significance arose in connection with the court-martial [REDACTED] where the defense demands for information raised serious problems concerning the Director's statutory responsibility for protection of sources and methods. No legal actions were brought by or against the Agency during the period.

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5/  
LAWRENCE R. HOUSTON  
General Counsel

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LS 6-0613

20 March 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: General Counsel's Functions - Killian Committee

1. Disregarding the legal services that are similar to those elsewhere in Government, the following are the main points that make our work somewhat different:

a. Our basic and enabling legislation has provisions and authorities which are unique in Government, particularly in funding and expenditure powers and exceptions from normal Government review procedures. It is the lawyers' job to ascertain requirements for such legislation and to draft and interpret such laws.

b. The Director has expenditure authority which is not reviewable outside the Agency, and in the exercise of that authority this Office acts in place of the Comptroller General. The philosophy is to follow, insofar as practicable, standard Government principles but to assure that those Agency activities which cannot follow such principles are supported financially in an effective manner.

c. The Agency is exempt from the Classification Act and the Director has authority to terminate any employee when he deems it in the national interest. Such authority is not subject to Civil Service Commission review. Employee status and problems involved in employment and termination of personnel present legal questions not encountered elsewhere. Similarly, the Agency employs throughout the world a variety of people in various different capacities, many of which are not consistent with or even permissible under the authorities of other agencies.

d. To carry on many of its activities in which it does not wish to appear, the Agency has a variety of agreements with other Government agencies in which are encountered unusual problems of jurisdiction, accounting, status of personnel, and fiscal matters.



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2. In addition to the fields discussed above, the wide range of Agency interests has put us in touch with all aspects of the law, even such special fields as admiralty, divorce, international, copyright and patent law. The specialized relation of the intelligence arm of the Executive to the Congressional and Judicial branches is a whole book in itself. Throughout all the problems mentioned above runs the fundamental difference from normal Government counseling that we are unable because of security and operational considerations to consult with the normal Government authorities in these matters and accept their rulings in specific cases.

3/  
LAWRENCE R. HOUSTON  
General Counsel

OGC:LRH:jeb

cc: OGC chrono

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13 August 1954

**MEMORANDUM OF ORGANIZATION AND FUNCTION**

**SUBJECT:** Organization and Function of the Office of the General Counsel, Central Intelligence Agency

1. **MISSION.** The General Counsel is responsible for all legal affairs and for legal aspects of all legislation affecting the Agency.

2. **ORGANIZATION.**

a. The Office of the General Counsel was placed in 1950 in the Office of the Deputy Director (Administration). Prior thereto it had reported directly to the Director. In view of the fact that the legal function is not susceptible of administrative control and is equally responsive to the problems of administration and operations, the General Counsel still reports directly to the Director when appropriate but has remained in the Office of the Deputy Director (Administration) for administrative convenience.

b. The legislative function is separate from the strictly legal activities of the Office and is treated in a separate paper. Otherwise, the Office is organized generally in the manner of a private law firm, available for advice on legal matters arising out of official business for all components of the Agency at all levels by direct inquiry.

c. All attorneys are expected to attain efficiency in all aspects of the Agency's legal work, and there are no specialists or attorneys concentrating exclusively in particular fields. The only types of assignments are those arising out of separation in space and occasional special requests of certain components. Thus, one senior lawyer is normally occupied full time with logistics matters, particularly procurement and contract problems, but the various attorneys are rotated in and out of this duty to prevent specialization.

d. Classification of initial appointments is based on a combination of education, background, and legal experience. Promotion is based on demonstrated ability to apply legal

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knowledge effectively to the particular problems of the Agency. The theory of the organization is to maintain a small group of experienced general practitioners any one of whom can give sound legal advice on any problems of law arising out of official business. A recent development has been the assignment of lawyers overseas, one each to the Senior Representatives in Germany and the Far East, upon specific requests from those headquarters.

c. The present General Counsel and his Deputy have occupied their present positions with this and predecessor agencies since 1944. Their biographical sketches and those of other senior attorneys are attached as Appendix A.

3. **FUNCTIONS.** Inasmuch as the responsibilities of the General Counsel's Office for legal advice reach to all activities of the Agency, problems encountered cover all aspects of the law. No attempt will be made to give a complete description, but an indication of some of the problems peculiar to this Agency is set forth below:

a. The Central Intelligence Agency was established by statute, so the basic legal function is the interpretation of the applicable statutes and their application to Agency problems. Involved here too are the conduct of relationships with the Congress and the special problems of the legal background involved in the release of information to the Congress, which are covered in greater detail in a separate paper. The relations with the other branch of the Government, the Judiciary, have also been a matter of much study, and there has been one test case in the Federal Courts with inconclusive results as to the right of the courts to compel testimony by employees of CIA under circumstances where confidential relations exist.

b. Within the Agency there are many problems normal to all Government agencies which create special legal questions because of the very wide authorities and exemptions granted to this Agency by the Congress. In the field of personnel, there is for consideration the Director's authority, when he deems it in the national interest, to terminate any employee in the Agency. This involves various considerations of relationship to the President's Loyalty and Security Program, the implications of the Veterans Preference Act, and the establishment of procedures designed to assure the rights of any employee considered under this termination authority.

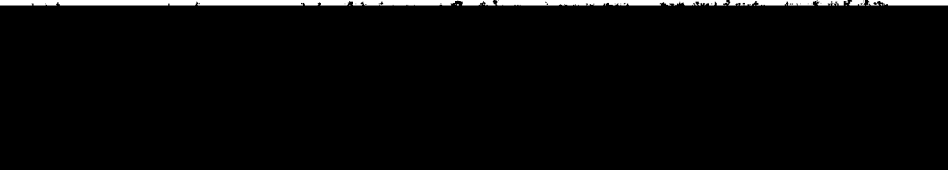
c. In the fiscal field the Congress gave the Agency very wide powers, thereby creating many special problems. The normal laws and regulations applying to obligation,

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expenditure, certification, accounting, lapsed appropriations, and similar technical matters must be adjusted to the extent necessary to meet the special requirements of this Agency. The question of the need for and the extent of such adjustment is frequently for consideration by this Office. On the unvouchered side, those expenditures not reviewed outside of the Agency, this Office functions somewhat in the capacity of the Comptroller General in normal Government fiscal matters. In the security and medical areas too many problems inherent in such activities are further complicated by security and operational factors.

d. The great bulk of the work of the Office of the General Counsel arises out of covert activities, roughly 80-85 per cent by time spent. Here every type of legal problem arises and this Office is responsible for guidance not only on the internal aspects but also on the outside legal implications of Agency activities carried out through Government facilities. Thus, an agent's cover contractual arrangements must be consistent with his contractual undertakings with the Agency. His cover tax situation might require one action which then must be cleared by internal arrangements or special arrangements with Internal Revenue.

e. Many outside legal problems, particularly in connection



Counsel so that they may be guided to the extent necessary by the operational requirements of the Agency. This can create a very delicate relationship, but so far this panel of lawyers has been markedly successful. With very rare exceptions the members of the legal profession approached for assistance in covert operations have responded enthusiastically and eagerly.

f. In all its aspects, internal and external, the Office of the General Counsel performs a purely staff function. It has no command or directive responsibilities.

LAWRENCE B. HOUSTON  
General Counsel

Attachment - Appendix A

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